

Dry Peas and Lentils

Increased Area Likely This Spring

The income security provided by the marketing loan program, strong prices for peas and lentils, and the long term benefits of having pulses in a crop rotation may result in increased acreage being devoted to dry peas and lentils this spring. This will likely occur despite strong prices this January for competing grains such as soybeans (up 42 percent from a year ago), corn, and flax. Partly offsetting this are lower prices for many classes of wheat (including durum and other spring), barley, and potatoes. It appears that much of the increase in pulse crop area could occur within the industry growth areas of the upper Midwest and be primarily focused on dry peas—a crop which is also saleable in world animal feed markets. Although lentil area is projected to show an increase of 4 to 8 percent due to a second consecutive year of strong prices, area planted to dry peas could rise more than a fourth as grower prices have strengthened and available stocks are apparently being closely held.

After two consecutive years of declining area, chickpea acreage is also expected to increase modestly, but most of this gain will be in the large-seeded kabulis. Small chickpea demand remains relatively limited in the United States. The first USDA release indicating 2004 acreage for dry peas and lentils will be released in the July 12 *Crop Production* report.

Loan Deficiency Payments Update

As expected, the majority of producers eligible to obtain a marketing assistance loan for 2003 crop dry peas opted to forgo the loan and instead obtain a loan deficiency payment (LDP). Through February 18, there were 3,554 LDPs made covering 5.1 million cwt of dry peas. With

Table 11--U.S. dry peas & lentils: Export volume by class

Item	Sept.-Aug.	Sept.-Dec.		Percent
	2002/03	2002	2003	change
	--Million pounds--			Percent
Green peas	158.2	57.1	58.8	3
Yellow peas	29.5	7.1	12.1	71
Split peas	12.7	4.0	3.2	-19
Chickpeas	34.5	14.8	3.7	-75
Austrian winter	2.0	1.3	0.9	-36
Misc. dry peas	24.4	11.5	8.1	-30
Lentils	188.4	70.3	69.1	-2
Total	449.7	166.1	155.9	-6

Excludes planting seed. Source: Bureau of the Census, USDC.

an average payment rate of \$2.68/cwt, the value of these LDPs was \$13.7 million. About half of the payments went to North Dakota (a third of this to Divide and McLean counties), with 45 percent spread among growers in Washington, Idaho, and Montana. There have been no LDPs for 2003 crop lentils due to strong market prices and only \$107,000 of 2003 crop chickpea LDPs. LDPs for the 2003 dry pea, lentil, and small chickpea crops will be available until May 31.

Crop Value Up in 2003/04

Based on preliminary estimates of season average prices, the value of U.S. dry pea (including Austrian winter peas) and lentil production totaled \$76 million in 2003—up 8 percent from a year earlier and the highest since 1998. Dry pea crop value increased 4 percent to \$34 million as increased production outweighed an estimated 15-percent drop in the season average price. The value of lentil production rose 12 percent as the estimated season average price increased 15 percent to \$16.40/cwt.

Table 10--U.S. dry peas and lentils: Selected monthly dealer and grower prices, 2002-2004

Commodity	2002		2003	2003		2004	Change from prev. year:		
	Nov.	Dec.	Jan.	Nov.	Dec.	Jan.	Nov.	Dec.	Jan.
--- Cents per pound ---									
--- Percent ---									
<i>Dealer prices:</i>									
Green peas, whole	13.50	13.75	14.75	13.88	14.00	14.31	2.8	1.8	-3.0
Yellow peas, whole	12.56	13.83	13.42	12.00	12.25	12.56	-4.5	-11.4	-6.4
Green peas, split	16.50	16.75	17.83	16.25	16.25	16.56	-1.5	-3.0	-7.1
Yellow peas, split	15.56	14.92	16.83	14.81	15.00	15.50	-4.8	0.5	-7.9
Lentils, brewer	18.63	19.46	22.08	22.38	22.50	23.38	20.1	15.6	5.9
Lentils, pardina	17.28	17.38	20.67	25.81	26.50	26.31	49.4	52.5	27.3
Austrian winter peas	17.75	17.25	--	17.97	18.00	--	1.2	4.3	--
<i>Grower prices:</i>									
Green peas, whole	7.91	8.33	8.25	8.84	9.13	9.56	11.8	9.6	15.9
Yellow peas, whole	7.34	7.58	8.60	7.53	7.75	7.91	2.6	2.2	-8.0
Lentils, brewer	13.81	14.25	14.33	16.88	16.50	17.00	22.2	15.8	18.6
Austrian winter peas	9.83	10.50	13.45	11.00	11.00	11.00	11.9	4.8	-18.2

-- = not available. Source: Simple average of weekly PNW data from *Bean Market News*, AMS, USDA.